

Small-time gold miners get fair trade seal of approval

Ethics

Maria Doultou on an initiative aimed at raising living standards for poor communities

We have got used to the taste of Fairtrade coffee, chocolate or sugar and know all the good reasons why we should buy it.

But on Valentine's day the Fairtrade Foundation's product portfolio shot upmarket with the arrival of the first ever Fairtrade and Fairmined gold. Though the slab of gold was no bigger than a chocolate bar and fitted neatly into the palm of the hand, it offered an alternative to the way we buy gold.

The ingot of gold that has made history weighs about a kilo and, at the launch, was worth £25,000. It comes from the Cotapata mining co-operative in Bolivia, the first source of gold to receive the Fairtrade Foundation certification.

The Fairtrade gold initiative is restricted to small-scale and artisanal miners who produce 200 to 300 tonnes of gold a year, although it accounts for 10 per cent of global gold supplies and 90 per cent of the labour.

Harriet Lamb, director of the foundation, said at the launch: "Giving gold jewellery is so much about love, romance and beauty but sadly all too often how conventional gold is mined is not a pretty story. All that is gold does not glitter. On the contrary, many of the estimated 15m miners working in artisanal and small-scale mining too often still live in poverty. Too often they face serious injury and risks and too often the small-scale miners are taken advantage of by unscrupulous middlemen.

"So, as the price for this precious metal surges on the world markets, luring hundreds of thousands of workers to seek their fortunes in what is one of the most dangerous industries,

it is not the mining communities who reap the benefits of this 21st century gold rush. And that is why today we are launching Fairtrade and Fairmined gold."

Like other Fairtrade products, the gold bearing the dual Fairtrade and Fairmined logos ensures that the metal has been mined, processed and traded in a fair and responsible manner.

Fairtrade gold has been the work of the Fairtrade Foundation and the ARM (Alliance for Responsible Mining).

The ARM says the existence of these miners is characterised by high levels of poverty and is described by the Fairtrade Foundation as usually lacking in basic sanitation, clean, safe drinking water and adequate housing, with little or no access to education or healthcare.

A complex supply chain and the remoteness of many of the mines means that the miner often is left with very little of the final price that the gold is sold for. At the launch, Manuel Reinoso, vice-chairman of the ARM's board of directors, and miner from Peru, spoke of the lack of information that prevents the miners from getting a fair price.

"For a long time, I didn't know that the price of gold was fixed in London. I thought that the man who bought our gold fixed the price."

Under the Fairtrade scheme, miners will receive a minimum price of 95 per cent of the London Bullion Market Association (LBMA) fix for their gold. As well as fair working conditions and pay, the gold will be sold at a Fairtrade premium of 10 per cent above the LBMA fix.

Miners can earn an additional ecological premium of 5 per cent if they recover gold without the use of mercury or cyanide and

Fairtrade gold was on display on the red carpet at the Oscars

ensure minimum ecological disruption.

The premium will be invested in democratically agreed economic, social or environmental improvements of the miners' choice.

Juana Peña Endara, from the Cotapata co-operative, says the group will use its premium to buy new equipment. At his mine near the Yungas rainforest, miners work in shafts 850 metres deep and the enterprise sup-

Pioneer Fairtrade jewellers include Stephen Webster, Cred and Pippa Small

ports 88 families. The project was initiated by the ARM with nine groups in Bolivia, Colombia, Ecuador and Peru.

The Fairtrade Foundation says more groups from Latin America will join the system and that the ARM is also establishing a network of pilot projects in Africa, and later in Asia. To date, two mines are certified: Cotapata in Peru

and the Condoto mine in Peru. Twenty jewellers have signed up to be among the first to buy the gold, including Garrard, one of the world's oldest jewellers, prompting unfounded speculation about Fairtrade gold wedding rings for Britain's royal couple.

Other pioneer Fairtrade gold jewellers include London-based Stephen Webster, pioneer ethical jeweller Cred and Pippa Small. Ute Decker, a studio jeweller based in London, believes it could change the jewellery industry and has designed the "Pure" collection to reflect the values of this gold.

Stephen Webster will introduce a bridal range in Fairtrade gold and says he is pleased to be able to offer an alternative. As exciting as the arrival of Fairtrade gold may be, it will be a niche product, given the limited supply. The Fairtrade Foundation envisages that certified gold will account for 5 per cent of the gold jewellery market over a 15-year period.

The first bars of gold may be a drop in the ocean of the world supply but already it is making noise. Fairtrade gold was on the red carpet the Oscars.

Livia Firth, wife of Colin Firth, wore a pair of earrings and a ring made by Cred with Fairtrade and Fairmined gold designed by Anna Loucah.

The "Juana" ring and earrings feature 35 carats of traceable aquamarines from a community mine in Zambia while the diamonds are from Jeweltree and sourced from the Lihobong Women Miners Co-operative in Lesotho.

Mrs Firth is quoted as saying: "Tens of millions of small-scale gold miners risk their lives in often appalling conditions and get a raw deal for their strenuous efforts. There is a real need for consumers to demand higher standards and they can do this by getting behind this important initiative."

